

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, California 95814



April 15, 1999

COUNTY FISCAL LETTER (CFL) NO. 98/99-72

TO: COUNTY WELFARE DIRECTORS
COUNTY FISCAL OFFICERS
COUNTY AUDITOR CONTROLLERS
COUNTY PROBATION OFFICERS
COUNTY DISTRICT ATTORNEYS

**SUBJECT: CALIFORNIA WORK OPPORTUNITY AND RESPONSIBILITY
TO KIDS (CALWORKS) PERFORMANCE AND FRAUD
INCENTIVES – QUESTIONS AND ANSWERS**

Reference: CFL No. 98/99-54

County Fiscal Letter (CFL) No. 98/99-54, dated November 20, 1998, provided counties with information and policy regarding the CalWORKs performance and fraud incentives and fiscal reporting instructions. As a result of counties implementing the policies and fiscal instructions for these incentives, questions have been forwarded to the California Department of Social Services. To assist all counties in their efforts in calculating their earnings, properly expending their incentives, and reporting earnings and expenditures, the attachment to this CFL provides the questions that the Department has received and the corresponding answers.

The questions and answers are categorized and can be referenced in Enclosure A as follows:

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If you require further explanation of the answers or further information regarding performance and fraud incentives, please contact your analyst in the Fiscal Policy Bureau at (916) 657-3440.

***Original Document Signed by
George E. Peacher, Jr. on 4/15/99***

GEORGE E. PEACHER, JR.
Fiscal Systems and Accounting Branch

c: CWDA

Enclosure

***Performance and Fraud Incentives – Questions and Answers
(Reference CFL No. 98/99-54)***

I. Policy and Methodology for Determining Grant Savings

A. Exits Due to Employment

1. Question: Explain the methodology and the display on Attachment 1 – Base Year Case Exits of the CFL No. 98/99-54. (Enclosure B of this CFL.)

Answer: The Base Year Case Exits chart displays information as follows:

Columns A through H: Columns A through H are used to calculate the counties average caseload decline for three years [State Fiscal Years (SFY)1994-95, 1995-96 and 1996-97]. The average monthly caseload counts displayed in columns A through D include child-only and adult case counts and the data is drawn from the CA 237.

Based on policy decisions of the Fiscal Incentives Workgroup, the average caseload decline is displayed to identify counties that may choose a different caseload exit base from the three state fiscal years (SFY 1994-95, 1995/96, and 1996/97).

[Calculation for Column E: -- Subtract Column A from D.
Calculation for Column H: -- To get the average ratio, divide the caseload decline (Column E) by Column A then divide the result by 3.]

The statewide median for the ratio of decline (Column H) is counties above the –1.53 percent.

Columns I through L: Columns I through K display the number of cases (not including child-only cases) that were off aid due to employment a minimum of six months. This calculation is determined by matching the Medi-Cal Eligibility Determination System (MEDS) file with the Employment Development Department (EDD) wage file for each fiscal year. Column L is the average number of cases exiting during the base years and provides the base for incentives. Counties must exceed their base to earn incentives.

2. Question: What is the process for determining case exits due to employment?

Answer: Please reference Enclosure C for a description of the exits due to employment determination methodology and process.

3. **Question:** How are “discontinued cases” without a reason code considered in the
- Answer:** See Enclosure C. Only aid and eligibility codes in MEDS are used to determine the case exits.
4. **Question:** Will the state provide counties with a monthly report regarding amount earned due to exits?
- Answer:** As referenced in Enclosure C, there is a considerable amount of lag time to determine the exits due to employment. After the final information becomes available, this will be shared with counties.
5. **Question:** CFL No. 98/99-54, Page 3, Section I.A.1(b) states that counties that have cases exceeding the base and continuing to stay off aid will be paid an incentive for months seven through twelve. Is this an additional incentive payment? Is it calculated the same as months one through six?
- Answer:** Yes. Counties will be paid an incentive payment for cases exceeding the base and continuing to stay off aid continually (for months seven through twelve) due to employment. This is an incentive payment in addition to the incentive payment for months one through six beyond their exit month. Incentive earnings for these months are calculated the same and are based on the county’s average monthly grant amount.
6. **Question:** How will counties receive credit for those recipients who are unknown and leave due to employment, but are discontinued for failure to submit a CA 7?
- Answer:** See Enclosure C. Regardless of the reason for discontinuance, when a case has exited for six consecutive months and had EDD reported earnings, the county of last CalWORKs eligibility will receive credit for the exit.
7. **Question:** What about self-employed who will not be included in EDD records?
- Answer:** Counties will not be paid for cases not in the EDD records. However, the Department and the Fiscal Incentive Workgroup recognize this issue. If a county qualifies for incentives from the 25 percent pool, this could be considered a barrier for receiving incentives. (Please reference CFL No. 98/99-54, Section I.B.2.)
8. **Question:** If CFL No 98/99-54, Attachment 1 figures are based on the GAIN 25, can the county revise the GAIN 25 when they discover that errors were made?
- Answer:** The Base Year Case Exits caseload figures were based on the CA 237 reports submitted by counties and the number of exits was determined from the MEDS system. The GAIN 25 report was not used for this purpose.

9. **Question:** How was the average county monthly grant (Attachment 2 of CFL No. 98/99-54) derived?
- Answer:** The calculation was based on the total county expenditures reported on the CA 237 divided by the total open cases reported on the CA 237 for the SFY 1996/97 and 1997/98. (Reference Enclosure D of this CFL for the average grant chart.)
10. **Question:** Will all exits be considered prior to CDSS recovering any balance remaining in the lump sum credit?
- Answer:** The lump sum credit was provided to cover all incentives, including exits and earnings due to employment. Due to the lag time on exit data, CDSS anticipates the lump sum credit will be exhausted by the incentives the counties earn due to cases with grant reductions as a result of earnings.

B. Incentive Fund Distribution

1. **Question:** What was the methodology for the 75 percent distribution (lump sum)?
- Answer:** The SFY 98/99 Performance Incentive lump sum credit (\$186.5 million) was distributed to the counties based on a percent to total of each county's AFDC Monthly Average Adult caseload from January 1997 through December 1997. The \$186.5 million is 50 percent of the total budget appropriation and does not represent the full 75% pool of the incentive funds.

II. Incentive Funding Source and Rollover Provision

A. Funding Source

1. **Question:** Will incentives earned during the period of January 1999 through December 1999 be received in FY 1999-2000?
- Answer:** CDSS anticipates January 1999-December 1999 incentives earned will be paid monthly based on the county's monthly reporting of earnings from the Diversion Program and grant reduction due to earnings (CW 801). As a result of a lag in determining exits due to employment, CDSS anticipated January 1998-June 1998 exit incentives will be paid in SFY 1999-2000 and July 1998-June 1999 will be paid in SFY 2000-2001.

2. **Question:** What is the source of the remainder of funds not yet distributed to counties for January 1998 through June 1999?

Answer: Once the SGF is “earned”, additional incentive earnings will be Temporary Assistance for Needy Families (TANF) funds. These funds will be paid to counties as they earn and report their incentive earnings. Beginning SFY 1999-2000, all incentive payments are currently reflected in the proposed budget as TANF funds.

B. Rollover Provision

1. **Question:** There are two sources of incentive funds: (1) The CalWORKs funds which are made up of SGF/MOE and Federal TANF. Counties have already received the SGF/MOE funds that the county must earn through savings due to diversion, grant savings, and exits due to employment. Counties will report their earnings on the CW 801 form and how the funds were expended on the County Expense Claim (CEC). It appears that unspent incentive funds can rollover. The legislative language says years rather than year. Does this mean that we can continue to rollover beyond the next fiscal year? (2) Fraud incentive funds are also made up of SGF and TANF. Can the unspent fraud incentive funds rollover?

Answer: (1) Yes. The CalWORKS performance incentive funds (both TANF and SGF) earned and not expended continue to roll over beyond next fiscal year.

(2) Yes. The Fraud incentive funds (both SGF and TANF) earned and not expended continue to roll over beyond next fiscal year.

2. **Question:** What happens to the unexpended SGF/MOE funds if counties do not expend by September 1999? Are these funds recovered from the counties?

Answer: Counties that have earned unspent incentive funds may rollover these funds. However to meet the State’s TANF MOE requirement, counties are encouraged to expend the SGF. If the lump sum credit funds remain unearned, they are subject to recovery.

3. **Question:** Will rollover TANF funds be used for other purposes?

Answer: At this time, no decision has been made to utilize the fiscal incentive funds that rollover in a different manner than how it is currently budgeted.

III. Allowable Use of Incentive Funds

- 1. Question:** Are performance incentive funds intended to supplant current basic county welfare allocations?

Answer: No. They are intended to supplement the allocations or to serve “needy families” under the TANF requirements. Counties cannot use these funds to supplant county welfare funds otherwise eligible as countable state TANF MOE or to match federal funds.
- 2. Question:** Can the EA-CWS county share of costs be paid for with performance incentives?

Answer: No. The county share of EA-CWS is counted towards the State’s TANF MOE. Therefore, supplanting of county share is not allowed.
- 3. Question:** Can incentive payments be used for children’s services?

Answer: Yes, to the extent the expenditure is an allowable cost under either CalWORKs or TANF and is expended in accordance with PRWORA and AB 1542. Please reference CFL 98/99-54, Section III.
- 4. Question:** What is meant by “like services” for Emergency Assistance (EA)-Child Welfare Services (CWS) program?

Answer: The term “like services” refers to the county’s EA-CWS program activities that are eligible for funding with MOE funds that must be within the scope of the EA-CWS program in effect as of August 21, 1996.
- 5. Question:** Can the MOE performance incentive funds be used to match federal transportation funds that will provide CalWORKs recipient transportation?

Answer: No. As stated in the CFL, federal law does not allow states to use MOE funds to match federal fund sources for other programs. However, TANF performance incentive funds may be used to match the Job Access and Reverse Commute (JARC) grant in Transportation Efficiency Act for the 21st Century (TEA 21).
- 6. Question:** In the limitation on use of SGF and TANF funds, both exclude information technology and computerization needed for tracking or monitoring from the 15 percent administrative cap. Is there a definition of what is considered information technology? (Example: Does this include EDP staff to support the computerization needed?)

Answer: Subject to the final federal TANF regulations, the 15 percent administrative cap excludes all costs including staff associated with technology and computerization for tracking or monitoring.

7. **Question:** What is the CDSS definition of “Needy Families”?
- Answer:** At this time, the State TANF Plan outlines the eligible populations California will serve using TANF funds. This outline is provided in Enclosure E. CDSS is currently working with a joint CDSS/CWDA workgroup to recommend an expanded or revised definition of needy families.
8. **Question:** Can incentive monies funded by TANF be used for “program integrity”(e.g. investigators, collections, and related costs)?
- Answer:** Yes, to the extent that the funds are not used to supplant county MOE.
9. **Question:** Can the counties use the SGF/MOE incentive funds for building improvements such as new furnishings, new carpets, etc.?
- Answer:** Yes. However, counties must follow the Office of Management and Budget (OMB) Circular A-87 rules on purchases/reimbursement rates, referenced in CFL No. 98/99-39 dated October 13, 1998. Costs must be treated consistently, if the cost is direct charged to CalWORKs, the appropriate share to other benefiting programs must be direct charged (i.e., that portion of renovations that benefit medical to Medi-Cal, etc). Counties are reminded that SGF/MOE must be spent in support of CalWORKs eligible families and are subject to the 15 percent administrative cap.
10. **Question:** If CWDs meet “expenditures which can be reasonably calculated to accomplish the goals of the TANF legislation”, but not for a CalWORKs eligible or participant, is SGF incentive dollars still MOE eligible?
- Answer:** No. For the SGF incentive dollars to be MOE countable, the expenditure must be made on behalf of CalWORKs eligible family or participant.

IV. Reporting Incentives Earned and Reconciliation Process

A. Grant Reduction Due to Earnings

1. **Question:** CFL No. 98/99-54 states that counties will receive 75 percent of the state share of grant savings for cases with earnings due to employment that result in a grant reduction. How is the grant savings calculated?
- Answer:** The county’s incentive earning for a case with grant reduction due to earnings is the amount of net earned income that reduces the grant payment with the exception of zero grant cases.

2. **Question:** What is the incentive earning for a zero grant case?
- Answer:** For a zero grant case due to earned income, the incentive earning is the amount of the grant the case would have received after all income (including unearned) has been applied. Cases with only earned income may result in the MAP amount as the incentive earning. If a zero grant is due to an overpayment recovery, there are no incentive earnings for this case.
3. **Question:** Should a child's earned income, if included in the benefit computation, be considered when calculating the incentive?
- Answer:** Yes, a child's earned income should be included if that same income is used for the benefit computation. (However, most income from children is exempt.)
4. **Question:** How should the incentive earnings for a mixed immigrant household be calculated?
- Answer:** The incentive earnings should be proportioned by the same ratios as the case grant as explained in CFL No. 97/98-41, Section 2.B, pages 4 and 5, dated December 19, 1997.
5. **Question:** Should the increased earnings calculation be a baseline calculation or a monthly calculation?
- Answer:** A monthly calculation for each case should be conducted and reported. No baseline is used in this methodology.

B. Diversion

1. **Question:** If a diversion payment is less than the grant that a case would have received, what is the incentive earnings amount?
- Answer:** As stated in the CFL No. 98/99-54, Section I.A.3), the incentive earnings for diversion, is the county's average grant multiplied by six (the number of months after the diversion period). This value is effective January 1998 through June 1999. CDSS, in conjunction with the County Welfare Directors Association, shall determine the value of the incentive payment to be used in subsequent fiscal years. Counties will receive 75 percent of this grant savings.

C. Incentive Earnings Reporting and Earnings Payments

1. **Question:** On page 10 of the CFL No. 98/99-54, counties are requested to submit their CW 801 no later than April 1999. What is the due date? The 1st or 30th of April?

Answer: The CW 801's need to be received by CDSS no later than the 20th of each subsequent month beginning April 1999.

2. **Question:** Can the April 1999 date for providing incentive data (CW 801) be extended? If so, until when?

Answer: Yes, the date for submittal of the CW 801 can be extended until July 1999. However, the proposed Governor's Budget contains approximately \$1 billion in combined fiscal incentives for SFYs 1998/1999 and 1999/2000. Therefore, it is in the counties' best interest to report the actual earned incentives as soon as possible.

3. **Question:** If incorrect incentive earnings are reported for a case, should the county adjust the earnings (CW 801) report the following month?

Answer: Yes. The county should reflect any positive or negative incentive earning adjustment on the CW 801.1 and/or CW 801.2 by case. The CW 801 will not display the details of adjustments but the total adjusted earnings amount for the report should be carried forward from the CW 801.1 and CW 801.2.

4. **Question:** How will counties receive their incentive payments (send a check, offset their claim, etc.)?

Answer: Per the CFL No. 98/99-36, counties received lump sum credits based on projected grant savings. As the counties report their actual earned incentives, the amount is deducted from the county's lump sum credit account. If a county has a credit remaining after April 1999, the amount will be subject to recovery by the Department. (Please reference page 10 of CFL No. 98/99-54.) When a county exhausts their credit, additional incentives will be paid to the county by monthly checks based on the earnings reported on the monthly CW 801 and submitted to the Department or through the exits due to employment process.

5. **Question:** When the CWD demonstrates and reports earnings beyond its SGF/MOE lump sum credit, will “redistribution” of the SGF/MOE funds of under-achieving counties be provided?

Answer: No. The incentive earnings are not a county allocation. There will not be a redistribution of the SGF/MOE. When a county exhausts their lump sum credit, TANF funds will be distributed to the county for the reported earned incentive earnings.

6. **Question:** Is the signature of the auditor controller required on the CW 801?

Answer: No. The Department is developing a revision of the CW 801. In the interim, Counties may submit copies of the CW 801 without the auditors’ signature.

V. 25 Percent Incentive Pool

1. **Question:** Can you further clarify how the 25 percent pool applies to counties who are disadvantaged by the three-year average base for exits due to employment?

Answer: Counties that are above the statewide median caseload decline are given an option to choose another base year from among the three years as their base for number of exits. The difference between the three-year average base and the county selected base number will be funded by a portion of the 25 percent pool.

2. **Question:** What is the relationship between the “base year disadvantage” and the “below median earned incentive” criteria as it relates to the 25 percent pool?

Answer: There is no relationship. As explained in the above response, a portion of the funds in the 25 percent pool will pay for incentives to counties that are above the statewide median caseload decline (base year disadvantage).

The below median earned incentive is the first criteria in which counties will qualify to receive incentive earnings from the remaining funds in the 25 percent pool.

3. **Question:** How will the median earned incentive be calculated?

Answer: The median earned incentive will be calculated using the average statewide incentive earned divided by statewide average adult caseload. The statewide median will then be determined. Counties below the statewide median earnings per case will qualify to be considered for the 25 percent pool funds. In order to apply for the funds, these counties will be required to submit a description of the barriers that they faced in program performance and steps taken to remedy the barriers. As stated on the CFL No. 98/99-54, additional information regarding this process will be forwarded to counties in a subsequent All County Letter.

VI. Reporting Expenditures

1. **Question:** In the CFL No. 98/99-54, it implies that counties would identify the claiming code for the costs to be claimed toward the incentive monies. However, on the addendum, there is not a place to identify the program cost code?

Answer: The CWD decides which program code is the correct code for the eligible activities on which they wish to expend their incentive dollars. The CEC Addendum for Incentive Funds Expenditure (CFL No. 98/99-54, Attachment 6), is the form used to capture the total aggregate expenditure category that the program codes represent. Using program code 623, see example given on page 11 of CFL No. 98/99-54, this program code would be considered a work activity and counties would input the amount of incentive funds on the performance incentive tables in the Foxpro system. The Addendum is used to capture expenditures by category only, so all incentive expenditures would be grouped accordingly.

2. **Question:** If, for example, a county uses Fraud incentive funds to purchase Fraud Investigator's bullet proof vests, would the county need to calculate the "share" of that overhead item that would have gone against the CalWORKs program and include that on the Addendum? If so, what code would we use since the cost would have been spread to several CalWORKs program components?

Answer: Counties are encouraged to direct charge to program the expenditures that incentives will fund. This could be start-up/nonrecurring or entail the submission of the DFA 327.9, Direct Charge Methodology (reference CFL No. 97/98-48). If costs are not claimed directly, then all programs affected through the claim allocation process would have to be identified for the expenditure. Counties are reminded that the guidelines of OMB Circular No. A-87 still apply to expenditure of performance incentive funds.

3. **Question:** If a county charges some of their staff cost to incentive funds, would we include on the Addendum the exact salaries and benefits of the staff or would we take a percentage of the salary pool that went to the CalWORKs programs?

Answer: Please reference #2 in this section.

4. **Question:** On the Addendum, Fraud incentive has only one column. If a county reflects costs in this column is it considered SGF or TANF?

Answer: When a county reports expenditures in the Fraud incentive column of the Incentive Funds Expenditure (CEC Addendum), these costs will be reported as TANF funds. CDSS does not need to track the expenditure of the Fraud SGF incentives as these expenditures are not counted toward the TANF MOE.

CalWORKs Performance Incentives
Base Year Case Exits

11/13/99

County	Average Monthly Cash Grant Cases /1				Ratio of Decline		Exits with EDD Earnings /2			
	1993-94	1994-95	1995-96	1996-97	Total	Average /3	1994-95	1995-96	1996-97	Average
1 Santa Clara	31,680	31,500	28,309	24,981	-8,680	-7.03%	5,807	8,885	5,480	6,327
2 San Mateo	9,422	8,840	8,399	8,242	-1,180	-6.12%	1,112	1,481	1,494	1,362
3 San Francisco	13,091	12,784	12,138	10,712	-2,379	-8.06%	1,829	1,903	1,295	2,009
4 Napa	1,594	1,618	1,508	1,338	-258	-3.40%	371	385	419	385
5 Marin	1,777	1,772	1,658	1,534	-243	-4.58%	302	319	350	324
6 Glenn	823	860	772	713	-110	-4.44%	157	170	177	168
7 Placer	3,080	3,169	2,955	2,687	-403	-4.35%	710	735	762	736
8 Orange	40,153	40,841	39,358	38,012	-5,141	-4.27%	6,542	5,758	8,147	7,182
9 Humboldt	4,195	4,182	4,030	3,878	-318	-4.12%	675	679	705	687
10 Alameda	37,058	37,574	36,158	32,709	-4,349	-3.91%	4,571	5,719	5,878	5,389
11 Fresno	35,049	36,042	34,733	32,718	-3,331	-3.54%	4,694	5,353	6,048	5,332
12 Nevada	1,182	1,239	1,238	1,059	-122	-3.45%	262	322	358	313
13 San Diego	65,970	65,077	65,473	60,091	-6,778	-3.38%	9,443	10,807	11,844	10,831
14 Santa Cruz	3,857	4,057	3,874	3,482	-385	-3.32%	755	949	949	885
15 Contra Costa	16,791	16,980	16,541	15,303	-1,488	-2.95%	2,433	2,819	3,148	2,803
16 Sonoma	6,507	6,925	6,646	6,009	-499	-2.55%	1,208	1,447	1,535	1,397
17 Trinity	493	428	418	403	-32	-2.49%	71	78	83	77
18 San Bernardino	62,955	64,370	62,529	58,349	-4,606	-2.44%	9,160	9,582	11,005	9,916
19 Ventura	10,122	10,542	10,271	9,444	-678	-2.28%	2,033	2,283	2,485	2,260
20 Monterey	7,948	8,395	8,146	7,450	-498	-2.08%	1,583	1,977	2,184	1,915
21 Sutter	1,955	2,047	1,973	1,838	-117	-2.00%	387	461	477	442
22 Tulare	17,129	17,512	17,113	16,148	-982	-1.91%	2,713	3,001	3,367	3,027
23 Alpine	36	37	44	34	-2	-1.66%	7	4	10	7
24 Yolo	4,220	4,281	4,170	3,988	-234	-1.65%	724	807	885	809
25 Santa Barbara	8,391	8,731	8,515	8,048	-344	-1.38%	1,317	1,431	1,453	1,400
26 Siskiyou	1,540	1,724	1,653	1,555	-81	-1.65%	355	285	348	296
27 Mendocino	2,778	2,943	2,871	2,842	-134	-1.61%	486	585	615	555
28 Sierra	57	47	81	54	-3	-1.57%	18	11	13	13
29 Los Angeles	308,661	315,482	310,573	294,502	-14,158	-1.53%	30,024	32,407	37,901	33,444
30 San Joaquin	21,783	22,080	22,057	20,826	-827	-1.42%	3,156	3,344	4,066	3,522
31 El Dorado	1,985	2,131	2,087	1,885	-79	-1.35%	406	458	525	463
32 Tehama	1,848	1,905	1,900	1,783	-85	-1.17%	339	422	491	417
33 Sacramento	45,484	46,396	45,662	44,033	-1,451	-1.05%	6,573	7,059	7,815	7,183
34 Mono	104	110	99	102	-3	-0.91%	22	21	29	24
35 Merced	10,044	10,365	10,403	9,784	-260	-0.88%	1,543	1,804	2,138	1,822
36 San Benito	919	945	931	899	-18	-0.70%	218	242	279	245
37 Butte	7,025	7,203	7,284	6,880	-145	-0.69%	1,143	1,177	1,374	1,231
38 Amador	398	436	414	388	-8	-0.68%	105	111	89	102
39 Inyo	413	427	440	408	-8	-0.60%	87	100	120	102
40 Lake	2,381	2,423	2,500	2,348	-43	-0.59%	403	422	468	438
41 Yuba	3,045	3,228	3,280	2,992	-53	-0.53%	388	541	730	555
42 Colusa	357	429	400	362	-5	-0.48%	134	123	115	117
43 Lassen	546	549	591	537	-9	-0.36%	148	177	193	173
44 Stanislaus	15,044	16,938	16,773	14,932	-1,131	-0.25%	2,637	2,818	3,397	2,951
45 Mariposa	388	395	387	387	1	0.05%	94	83	88	89
46 Calaveras	381	923	903	883	2	0.08%	175	198	187	186
47 Imperial	5,258	6,441	6,835	6,251	23	0.12%	941	871	1,084	959
48 Kings	3,747	3,783	3,834	3,775	27	0.24%	708	754	887	786
49 Riverside	34,780	36,742	37,156	36,182	402	0.39%	5,557	6,094	7,413	6,355
50 Solano	8,200	8,652	8,778	8,516	316	1.28%	1,232	1,489	1,718	1,470
51 Tuolumne	1,160	1,252	1,277	1,208	48	1.38%	230	256	297	261
52 San Luis Obispo	3,118	3,417	3,448	3,248	130	1.39%	551	694	743	695
53 Del Norte	1,091	1,170	1,156	1,138	47	1.44%	154	189	221	198
54 Shasta	3,551	5,739	6,013	5,984	413	2.43%	878	1,002	1,245	1,074
55 Madras	3,857	3,849	4,123	3,978	311	2.83%	667	712	822	733
56 Kern	21,797	23,880	24,818	23,718	1,921	2.94%	3,088	3,785	4,725	3,867
57 Modoc	348	388	385	381	35	3.38%	83	88	76	76
58 Plumas	384	431	455	428	62	5.70%	96	111	119	109

1/ Based on County 237 Reports for All Cash Grant Cases from FY's 1993/94, 1994/95, 1995/96 and 1996/97.

2/ Based on data file match with MEDs and EDD. The average in column L is the case for exits until otherwise requested by a county that is above the statewide median.

3/ The shaded area represents the percentages that are above the statewide median.

***Method to Determine the Exits Due to Employment
For AB 1542 CalWORKs County Incentive Proposal***

Data Sources

Two data sources were used to determine the Exits Due to Employment
For AB 1542 CalWORKs County Incentive process. The Medi-Cal Eligibility Determination System (MEDS) was the source for the universe of AFDC/CalWORKs recipients' monthly eligibility, county and the necessary case and demographic characteristics. The other data source was the California Employment Development Department's (EDD) California Unemployment Insurance Base Wage Data Base (CUIBWDB) which contains employer reported quarterly earnings for 95 percent of California employed work force.

AFDC/CalWORKs recipients were identified in the MEDS system and these person-level records were used to create special computer-based longitudinal files, which contained characteristics of the recipients and monthly histories of each recipient. These files contained all persons found to have received at least one month of AFDC/CalWORKs benefits between January 1993 and December 1998. From this file a list of Social Security Numbers of AFDC/CalWORKs recipients was created. This file was submitted to the EDD Data Process Division for a computer match with the CUIBWDB (see Enclosure A). Wage records found with matching SSN's for the reference period were returned to California Department of Social Services (CDSS) in an electronic format.

A single rectangular longitudinal file was created which contained records for each AFDC/CalWORKs recipient with an array of variables of monthly AFDC/CalWORKs eligibility and quarterly earnings amounts for the time period. Individual spells of AFDC and CalWORKs and quarterly periods of employment were identified using this file.

Methodology

Step 1

For each AFDC/CalWORKs recipient a longitudinal monthly aid history is created in a computer data base from the MEDS monthly extract files CDSS receives from the California Department of Health Services. For the reference year a minimum of 18 months of history is needed to identify all possible exits. This file contains the following data elements on each recipient:

Social Security Number

County Serial Number

First Name, Last Name and MI

Case Name

Address

Race

Gender

Date of Birth

Monthly MEDS Aid Codes

Monthly Eligibility Codes

Monthly County Code

Step 2

A file is created from this longitudinal file of the Social Security Numbers of all recipients' sixteen years and older. This file is sent to EDD and matched with the CUIBWDB. A file is returned that contains the individual quarterly earnings records found for the CDSS list of SSN's.

The earnings records are joined with the AFDC/CalWORKs recipient a longitudinal monthly aid history.

Step 3

The longitudinal file is sorted to associate all members of the case together in sequence with adult members first. Cases with no persons older than sixteen years of age are eliminated. One record is created to represent these cases. These records are examined to identify cases where a break in aid of six consecutive months or more occurs in the year. Exits are assigned the county of last eligibility before exit. Each exit record is examined for the employment in any of the calendar quarters that coincide with the exit.

Step 4

A year's summary report is generated that produces a table with the total number of exits for each county and the total number of exits with employment for each county.

1998/1999 Schedule

<i>Jan. 1, 1998 to Dec 31, 1998</i>	<i>MEDS Data collected on CalWORKs recipients</i>
<i>Jan 1, 1999 to June 30, 1999</i>	<i>MEDS Data collected for additional 6 months to capture all exits.</i>
<i>October 25, 1999</i>	<i>EDD Data is available for all necessary calendars quarters.</i>
<i>November 22, 1999</i>	<i>All matched earnings records returned from EDD.</i>
<i>Nov. 22, 1999 to Dec.8, 1999</i>	<i>Preparation of Exits-Due-to-Employment report by CDSS Data Analysis and Publications Branch.</i>

Definitions

AFDC/CalWORKs Recipient

A person found on the Medi-Cal Eligibility Determination System to be eligible for Medi-Cal Benefits in the reference month because of participation in AFDC/CalWORKs program. The following Aid Codes are used for AFDC/CalWORKs Medi-Cal eligibility:

- 30 AFDC/CalWORKs basic Family Group
- 32 AFDC/CalWORKs basic Family Group (State Only)
- 33 AFDC/CalWORKs Unemployed Parent (State Only)
- 35 AFDC/CalWORKs Unemployed Parent
- 3E CalWORKs Legal Immigrant Family Group (Mixed Cases)
- 3G AFDC/CalWORKs basic Family Group (State Only)**
- 3H AFDC/CalWORKs Unemployed Parent (State Only)
- 3L CalWORKs Legal Immigrant Family Group (State Only)
- 3M CalWORKs Legal Immigrant Unemployed Parent (State Only)**
- 3P AFDC/CalWORKs Unemployed Parent
- 3R AFDC/CalWORKs basic Family Group
- 3U CalWORKs Legal Immigrant Unemployed Parent (Mixed Cases)

AFDC/CalWORKs Cases

A group of AFDC/CalWORKs recipients found in the same county with the same county serial number with at least one member 16 years or older.

Exit from AFDC/CalWORKs

A break in AFDC/CalWORKs Medi-Cal eligibility for six or more consecutive months that began in the reference year.

Earnings

Employer reported California Unemployment Insurance covered wage payments as found with a computer match with AFDC/CalWORKs recipients' SSN with the CUIBWF. For each individual all the earnings records for each employer (where there are multiple employers in the same quarter) are totaled for each quarter.

Employment

An adult TANF recipient with earnings in the reference quarter from a match with the CUIBWF.

Exit Due to Employment

An exit due to employment is found to occur when the recipient is found to be employed a sometime during the exit from AFDC/CalWORKs.

County of Exit

The county of recipients' AFDC/CalWORKs Medi-Cal eligibility before exit.

TABLE 1
TANF AVERAGE MONTHLY PAYMENTS
FISCAL YEARS

FY 96/97

FY 97/98

All Counties	FG	U	FG	U
Alameda	\$452.25	\$668.75	\$427.45	\$629.23
Alpine	\$380.25	\$484.03	\$301.81	\$521.58
Amador	\$343.82	\$554.33	\$308.70	\$542.26
Butte	\$423.54	\$816.64	\$389.12	\$554.08
Calaveras	\$371.18	\$524.76	\$325.96	\$505.38
Colusa	\$389.15	\$485.00	\$321.00	\$427.65
Contra Costa	\$424.87	\$597.94	\$381.33	\$551.93
Del Norte	\$430.32	\$619.06	\$362.68	\$547.92
El Dorado	\$309.53	\$515.37	\$221.49	\$460.57
Fresno	\$441.02	\$605.23	\$383.33	\$534.12
Glenn	\$420.67	\$650.79	\$381.90	\$588.79
Humboldt	\$400.10	\$610.90	\$372.44	\$574.48
Imperial	\$378.28	\$514.77	\$400.91	\$468.40
Inyo	\$369.11	\$482.36	\$303.54	\$409.99
Kern	\$430.39	\$529.74	\$380.90	\$471.87
Kings	\$410.78	\$510.08	\$348.75	\$481.27
Lake	\$415.08	\$552.24	\$353.87	\$488.85
Lassen	\$421.41	\$665.89	\$390.75	\$539.97
Los Angeles	\$494.50	\$689.03	\$459.38	\$543.15
Madera	\$405.20	\$504.89	\$358.18	\$452.08
Marin	\$373.38	\$519.82	\$335.76	\$480.81
Mariposa	\$389.91	\$524.54	\$325.36	\$485.65
Mendocino	\$399.51	\$543.95	\$355.93	\$488.75
Mercad	\$422.52	\$584.02	\$360.77	\$532.03
Modoc	\$407.43	\$421.00	\$367.18	\$407.94
Monro	\$445.81	\$551.18	\$381.33	\$483.34
Monterey	\$402.08	\$514.92	\$354.86	\$459.77
Napa	\$350.51	\$527.18	\$279.23	\$506.36
Nevada	\$337.86	\$449.93	\$258.48	\$381.73
Orange	\$409.21	\$556.51	\$347.37	\$479.31
Placer	\$366.37	\$554.99	\$310.79	\$479.73
Plumas	\$385.42	\$521.97	\$318.65	\$427.23
Riverside	\$468.70	\$580.29	\$399.45	\$514.81
Sacramento	\$459.76	\$672.30	\$410.17	\$601.70
San Benito	\$338.20	\$472.30	\$269.50	\$443.92
San Bernardino	\$479.57	\$595.57	\$431.08	\$531.28
San Diego	\$448.98	\$687.37	\$395.31	\$516.02
San Francisco	\$408.83	\$516.58	\$381.21	\$578.27
San Joaquin	\$461.50	\$629.77	\$412.16	\$557.53
San Luis Obispo	\$398.84	\$557.82	\$350.95	\$486.87
San Mateo	\$404.77	\$473.58	\$350.88	\$412.05
Santa Barbara	\$389.72	\$506.86	\$345.74	\$482.17
Santa Clara	\$397.38	\$589.02	\$330.63	\$512.98
Santa Cruz	\$387.56	\$508.64	\$339.58	\$482.26
Shasta	\$399.38	\$555.91	\$352.66	\$507.75
Sierra	\$313.88	\$525.41	\$337.82	\$484.33
Siskiyou	\$404.15	\$540.97	\$322.49	\$489.37
Solano	\$437.51	\$520.94	\$388.79	\$574.49
Sonoma	\$358.06	\$542.12	\$300.57	\$483.18
Stanislaus	\$415.87	\$574.59	\$355.74	\$515.63
Sutter	\$386.20	\$540.55	\$338.35	\$452.44
Tehama	\$407.17	\$545.83	\$337.01	\$511.11
Trinity	\$401.15	\$588.67	\$344.38	\$475.80
Tulare	\$423.05	\$524.13	\$371.47	\$471.22
Tuolumne	\$381.38	\$535.56	\$319.87	\$506.48
Ventura	\$385.79	\$478.14	\$356.24	\$444.85
Yolo	\$407.22	\$580.78	\$351.77	\$524.01
Yuba	\$457.42	\$482.48	\$414.93	\$560.82
Statewide	\$485.80	\$585.32	\$410.91	\$531.35

EXCERPT FROM STATE PLAN RELATED TO NEEDY FAMILIES

In addition to CalWORKs recipients, California's TANF program will also provide services to the following populations:

- Transitional services to former recipients who are employed may be provided at CWD option as described in Section A.iii. Transitional services include case management and supportive services and may be provided for up to 24 months (for childcare).
- Training programs will be provided for individuals who are currently working and have received CalWORKs. Services include employment training, job finding skills, family mediation services, parental skill building, and applicable child support program services.
- Family focused case-specific services will be provided to children in the juvenile justice system. Children who are habitual truants, runaways, at risk of being wards of the court, or are under juvenile court supervision or supervision of the probation department may receive emergency services. Individuals may be provided services that were previously funded through IV-A on August 21, 1996. The same eligibility criteria will be applied to this population that was in effect at That time.